

Message Text

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PAGE 01 MOSCOW 19515 141712Z
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UNCLAS MOSCOW 19515

FOR BEWT/TPD/ROBB AND BECKHAM

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TAGS: BEXP UR
SUBJECT: "STEEL '76" SEMINAR/MINI-EXHIBIT, MOSCOW, DEC. 7-9

REF: MOSCOW 18035

1. SUMMARY: STEEL 76 WAS ONE OF THE MOST SUCCESSFUL SEMINAR/
MINI-EXHIBITS HELD AT COMMERCIAL OFFICE. MINISTRY OF FERROUS
METALLURGY PROVIDED EXCELLENT SUPPORT IN PREPARATORY STAGES
AND SENT LARGE GROUPS OF QUALIFIED SPECIALISTS TO ATTEND SEMINAR
SESSIONS. HIGH STANDARD OF PRESENTATIONS APPRECIATED BY SOVIETS,
WHO ENGAGED SPEAKERS IN SPIRITED QUESTION-AND-ANSWER SESSIONS.
GOOD GRAPHICS MADE MINI-EXHIBIT UNUSUALLY ATTRACTIVE. AT IN-
AUGURAL RECEPTION DEPUTY MINISTER CONFIRMED THAT CURRENT FIVE
YEAR PLAN WILL CONCENTRATE INVESTMENT IN EXISTING IRON AND STEEL
FACILITIES. END SUMMARY.

2. FINAL REPORT FOR STEEL 76, SEMINAR MINI-EXHIBIT, AS OF COB
DEC. 13, 1976. STANDARD REPORTING FORMAT FOLLOWS:

- 1) STEEL 76, SEMINAR/MINI-EXHIBIT
- 2) U.S. COMMERCIAL OFFICE, MOSCOW, DEC. 7-9, 1976
- 3) AGENTS APPOINTED -1- UNDER NEGOTIATION -0-
- 4) FLOOR SALES -0-

12 MONTH PROJECTION 55-105 MILLION DOLLARS

- 5) NUMBER OF REGISTERED VISITORS -0-

FOLLOWING IS BREAKDOWN OF ATTENDANCE DURING LECTURES:

7 DEC. (A.M.) E.W. BLISS	63
(P.M.) AETNA-STANDARD, ELECTRIC FURNACE	40
8DEC. (A.M.) BLAW-KNOX, WATERBURY FARREL	54

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 MOSCOW 19515 141712Z

(P.M.) WATERBURY-FARREL 47

9 DEC. (A.M.) WESTINGHOUSE 52
(P.M.) GENERAL ELECTRIC 96

352

ABOVE FIGURES REPRESENT SEMINAR VISITORS ONLY. SOVIET SPECIALISTS ALSO HELD MEETINGS AT COMMERCIAL OFFICE WITH SEVERAL EXHIBITORS DURING LECTURE PERIODS. AS USUAL, NO ATTEMPT WAS MADE TO KEEP A DOOR COUNT.

6) TOTAL NUMBER OF PARTICIPANTS: 7 PA'S FOR 7 COMPANIES

(A) NEW-TO-EXPORT -0-

(B) NEW-TO-MARKET (IN THIS PRODUCT LINE) -6-

(C) OLD-TO-MARKET -1-

(D) FULLY ACHIEVING FIRST OBJECTIVE -2-

(E) PARTIALLY ACHIEVING FIRST OBJECTIVE -1-

(F) FAILING TO ACHIEVE FIRST OBJECTIVE -4-

NOTE: FIRMS FAILING TO ACHIEVE OR PARTIALLY ACHIEVING FIRST OBJECTIVE HAD (RATHER UNREALISTICALLY) CHECKED "IMMEDIATE SALES" IN THIS CATEGORY.

3. HIGHLIGHTS:

1) THANKS IN PART TO GOOD COOPERATION FROM MINISTRY OF FERROUS METALLURGY, STEEL 76 WAS ONE OF MOST SUCCESSFUL SEMINAR/ MINI-EXHIBITS STAGED AT COMMERCIAL OFFICE. MINISTRY SUPPORTED RECRUITMENT WITH DETAILED LIST OF THEMES AND FIRMS WHICH INTERESTED ITS SPECIALISTS AND ASSISTED USCO IN TRANSLATING PROGRAM BROCHURE INTO RUSSIAN. DEPUTY MINISTER G.N. SERGEYEV AND SCST METALLURGY CHIEF S.P. ANTONOV HEADED LARGE GROUP OF SOVIET OFFICIALS AT INAUGURAL RECEPTION DEC. 6, WHILE SEMINAR RECEPTIONS WERE ATTENDED BY REPRESENTATIVES OF MINISTRY OF FERROUS METALLURGY (MAIN ADMINISTRATIONS, RESEARCH INSTITUTES AND INDUSTRIAL ASSOCIATIONS), MINISTRY OF HEAVY AND TRANSPORT MACHINE BUILDING AND (FOR WESTINGHOUSE AND GE PRESENTATIONS) MINISTRY OF NON-FERROUS METALLURGY. STANDARD OF ALL SEMINAR PRESENTATIONS WAS HIGH, AND LECTURERS WERE IMPRESSED THE QUALITY AND QUANTITY OF QUESTIONS FOLLOWING THEM.

2) DEPUTY MINISTER SERGEYEV CONFIRMED TO CHARGE AT INAUGURAL RECEPTION THAT CURRENT FIVE YEAR PLAN DOES NOT PROVIDE FOR CONSTRUCTION OF NEW IRON-STEEL COMPLEXES BUT FOCUSES INVESTMENT ON MODERNIZATION OR EXPANSION OF EXISTING INSTALLATIONS. PARTICIPANTS DISCUSSED SEVERAL NEW PROJECTS (INCLUDING STEEL PLANTS DESCRIBED REFTTEL) WITH MINISTRY AND UNCLASSIFIED

UNCLASSIFIED

PAGE 03 MOSCOW 19515 141712Z

METALLURGIMPORT OFFICIALS DURING COURSE OF SEMINAR AND RECEIVED INVITATIONS TO SUBMIT PROPOSALS. MINISTRY OFFICIAL CONFIRMED TO WATERBURY FARREL THAT SOVIET INTEREST EXTENDS TO MILLS ROLLING FINER GRADE PRODUCT, ALTHOUGH FOREIGN EXCHANGE REMAINS LIMITING FACTOR.

3) ALL PARTICIPANTS WERE PLEASED WITH OPPORTUNITY EVENT AFFORDED TO ESTABLISH AND BROADEN CONTACTS IN SOVIET STEEL INDUSTRY AS BASIS FOR FUTURE SALES. FOLLOWING ARE EXCERPTS

FROM PARTICIPANT REPORT FORMS (POUCHED BEWT/TPD-THOMPSON):
R.C. HILTBRAND, MANAGER, EXPORT SALES, ELECTRIC FURNACE: QTE
VERY GOOD SHOW - GLAD WE WERE HERE. UNQTE. WALTER S. MAKUSH, V.P.
AREA DIRECTOR, WESTINGHOUSE: QTE THIS IS THE FIRST MULTI-U.S.
COMPANY SEMINAR IN WHICH WESTINGHOUSE PARTICIPATED. THE ORGANIZA-
TION IN MOSCOW WAS EXCELLENT...WE MET OUR PRIMARY OBJECTIVE:
EXPOSING THE MINISTRY TO OUR AUTOMATION SYSTEMS TO ACHIEVE IMME-
DIATE SALES. THE ATTENDANCE WAS QUALIFIED. WE RECEIVED POSI-
TIVE INDICATION THAT A POTENTIAL MARKET FOR OUR PRODUCT LINE EXISTS.
UNQTE. ALESSIO D. CAPORASO, MANAGER, ROLLING MILLS, WATERBURY
FARREL: QTE WATERBURY FARREL SINCERELY APPRECIATES THIS OPPOR-
TUNITY TO EXPOSE ITS PRODUCT LINE AND ITS CAPABILITY TO THE
LEARNED AND CONCERNED AUDIENCES THAT PARTICIPATED...WE FEEL THAT
THIS SYMPOSIUM WILL BEAR FRUIT AND THANK THE U.S. COMMERCIAL
OFFICE FOR INVITING WATERBURY FARREL TO PARTICIPATE. UNQTE.
ROBER E. NEEDHAM, TECHNICAL REPRESENTATIVE, AETNA-STANDARD
ENGINEERING CO.: QTE THE EXHIBIT WAS ATTENDED BEYOND ALL EXPECTA-
TIONS.IT WAS HANDLED VERY WELL-WE MADE MANY CONTACTS AND WERE
HAPPY WE WERE ABLE TO ATTEND. UNQTE. C. WILLIAM PAXTON, SALES
ENGINEER, W.E. BLISS: QTE SEMINAR PROVIDED A CLEARER INSIGHT
TO REQUIREMENTS OF DOING BUSINESS IN THE USSR. OUR FUTURE
MARKET STRATEGY CAN NOW BE PLANNED TO PROVIDE GREATER EFFICIENCY
BY ENABLING US TO DETERMINE AREAS OF GREATEST POTENTIAL. WE
SHOULD ALSO NOW COMMUNICATE MORE EFFECTIVELY. UNQTE (ALL OF
ABOVE CLEARED FOR PUBLICATION.) CHARLES E. MCFARLAND, VICE
PRESIDENT-SALES, BLAW-KNOX: QTE THE SEMINAR WAS VERY WELL OR-
GANIZED AND RAN VERY SMOOTHLY. THERE WAS EXCELLENT ATTENDANCE.
UNQTE WILLIAM E. MILLER, CONSULTANT-ENGINEERING, DRIVES SYSTEMS
DEPARTMENT, GENERAL ELECTRIC: QTE OFFERED VISIBILITY TO FTO'S,
INSTITUTES AND USER MINISTRIES. WELL ORGANIZED AND VERY EFFECTIVE.
UNQTE (PREVIOUS TWO QUOTES NOT RPT NOT CLEARED FOR PUBLICATION.)

4. COMMENTS:

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PAGE 04 MOSCOW 19515 141712Z

- 1) DESPITE REQUESTS FROM TPD, MOST PARTICIPANTS FAILED
TO BRING 500 PIECES OF LITERATURE AND 50 COPIES OF SEMINAR
PAPERS. WHILE LITERATURE ON HAND WAS SUFFICIENT FOR SEMINAR
ATTENDEES, LIMITED SUPPLY FORCED FIRMS TO REFUSE SOME REQUEST
FOR ADDITIONAL COPIES, REDUCING PROSPECTIVE IMPACT. FEW FIRMS
BROUGHT MORE THAN FIVE COPIES OF SEMINAR PAPERS SO THAT COSTLY
XEROXING WAS REQUIRED TO MEET DEMAND.
- 2) MAJOR EXCEPTION TO ABOVE WAS WATERBURY FARREL, WHICH
PREPARED RUSSIAN-LANGUAGE PACKETS, INCLUDING PAPER TRANSLATIONS,
IN SUFFICIENT NUMBER TO MEET ALL REQUESTS. WE HEARTILY RECOM-
MEND THIS TECHNIQUE FOR FUTURE SEMINARS AS IT HEIGHTENS IMPACT OF
COMPANY'S PRESENTATION.
- 3) AT LEAST ONE LITERATURE SHIPMENT, REPORTEDLY SENT
VIA APO, FAILED TO ARRIVE. THERE IS LAMENTABLY NO FOOLPROOF
WAY TO SHIP EXHIBITS AND LITERATURE TO MOSCOW, BUT APO TRACK

RECORD HAS NOT BEEN GOOD FOR STEEL AND PLYWOOD/VENEER SME'S.
BEST BET IS PROBABLY AIR FREIGHT IF SHIPMENT MADE AT LEAST
TWO WEEKS BEFORE DESIRED ARRIVAL DATE AND WE ARE NOTIFIED OF
FLIGHT AND AWB NUMBERS BY TELEX.

4) FOUR PARTICIPANTS MISSED PART OF INAUGURAL RECEPTION
AS MOSCOW AIRPORT FOGGED IN SUNDAY. THIS POINTS UP IMPORTANCE
OF PLANNING ARRIVALS SATURDAY BEFORE SEMINAR WEEK, ESPECIALLY
DURING WINTER.

5) GRAPHICS FOR MINI-EXHIBIT WERE AMONG BEST WE HAVE
HAD AT COMMERCIAL OFFICE. GENERAL ELECTRIC AND WESTINGHOUSE
PRESENTED PARTICULARLY GOOD PHOTO DISPLAYS, BUT RUSSIAN-LANGUAGE
CAPTIONS WOULD HAVE MADE THEM EVEN MORE EFFECTIVE. IF PARTICIPANTS IN
FUTURE SEMINARS CAN BE PERSUADED TO PREPARE SUITABLE DISPLAYS,
THEY COULD BE PLACED IN USCO WINDOW FOLLOWING EXHIBITS. (WE
WILL EXPLORE THIS POSSIBILITY WITH ROBB IN FEBRUARY.)
MATLOCK

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